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TREASURY FOR JANICE GARDNER AND JIM FREIS
FBI FOR BRIAN LYNCH

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TAGS: ECON PREL KTFN ETTC PTER SA
SUBJECT: TREASURY DAS MENDELSOHN MEETING WITH THE SAUDI
ARABIAN FINANCIAL INVESTIGATIVE UNIT

Classified By: DCM DAVID RUNDELL FOR REASONS 1.4 (B) AND (D)

¶1. (U) SUMMARY. On February 24, Treasury Deputy Assistant Secretary Howard Mendelsohn met with Brigadier General Fahad Al-Maghlooth, Director of the Saudi Arabian Financial Investigative Unit (SAFIU). Mendelsohn and Maghlooth discussed terrorist financing issues of mutual concern and the SAFIU's role therein. Mendelsohn was accompanied by Treasury Attach, Deputy Attach and Legatt. END SUMMARY.

¶2. (C) SAFIU Director Maghlooth expressed support for USG and UN actions to stem terrorist financing. He touted the productive role his agency plays in TF issues, and expressed a desire to be more proactive with the cooperation of the USG. He noted that it would be helpful if Treasury sent notices to the SAFIU regarding UN 1267 Sanctions Committee listings concurrent with notification to the Saudi Arabian Monetary Agency (SAMA). He stated that this would allow the SAFIU to respond to SAMA requests for information on the designees more effectively. In turn, this would allow SAMA to freeze Saudi Arabia-based bank accounts more quickly.

¶3. (S/NF) Maghlooth raised a recent information request issued by the Treasury Department's Financial Crimes Enforcement Network (FinCEN) and Office of Foreign Assets Control (OFAC) to the SAFIU regarding Lashkar e-Tayyiba financier Mahmud Bahaziq and suggested methods to cooperate more fully on future information requests. Maghlooth encouraged Treasury to submit as many FIU requests as possible and that each include an offer to send Treasury analysts to sit with FIU investigators and explain more fully the request and the intelligence surrounding the subjects.

¶4. (S/NF) Maghlooth stated that with each information request from the SAFIU, SAMA is required to check all Saudi banks for bank account information. He stated that good identifiers, and particularly identification and passport numbers, were crucial for SAMA to turn around these SAFIU requests expeditiously. Maghlooth looked forward to additional information exchange between USG and Saudi Arabian intelligence officials and was hopeful the SAFIU would be admitted into Egmont in the Spring.

¶5. (S/NF) Maghlooth and Mendelsohn also discussed NGOs and the importance of regulatory regimes. Mendelsohn underscored that the SAFIU was an important interlocutor to ensure that Saudi-based charitable organizations were not circumventing the existing regulatory system in Saudi Arabia, which prohibits NGO funds from leaving the Kingdom. Mendelsohn noted that it is particularly important at this time to ensure that Gaza aid ends up in the right hands and does not flow to Hamas.

¶6. (S/NF) Maghlooth looked forward to closer cooperation with

Treasury, hoping that it would increase the experience and expertise of his current staff. He stated that Deputy Interior Minister His Royal Highness Prince Muhammad bin Nayf and Treasury are both looking to fight the same enemy. Mendelsohn agreed that the U.S. and Saudi Arabia shared this common objective.

17. (U) DAS Mendelsohn cleared this cable.
FRAKER